

IRS News Release

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IRS, Stakeholder Groups Form Partnership to Answer M-3 Questions

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WASHINGTON — Corporate taxpayers required to file the new Schedule M-3 with their Form 1120 can find and request answers to their questions about the new schedule using a Web-based list of frequently asked questions set up by the Internal Revenue Service in partnership with stakeholder groups.

Schedule M-3, "Net Income (Loss) Reconciliation for Corporations with Total Assets of \$10 Million or More" is filed by affected corporations to reconcile financial accounting income to taxable income. IRS estimates that approximately 50,000 large and mid-size corporations are now required to use the schedule.

"Schedule M-3 is a very significant change for taxpayers and the IRS," said Deborah M. Nolan, Commissioner of the IRS Large and Midsize Business Division. "It will provide important tax accounting information at time of filing that previously required extensive time to develop during a tax examination. We sought corporate taxpayer input in the scope and design of the Schedule M-3 and we're continuing that collaboration to ensure understanding of the requirements of the new form."

The Corporations section of the IRS.gov features a Schedule M-3 page that includes published material about the schedule, including the Schedule M-3 instructions and the frequently asked questions, which are updated weekly to add answers to additional questions submitted by taxpayers. The frequently asked questions appear on the Web site arranged and keyed to the line items and sections of the Schedule M-3 Instructions.

Stakeholder groups working with the IRS to provide the Schedule M-3 FAQ service include:

- American Bar Association (ABA),
- Association for Computers and Taxation (ACT),
- American Institute of Certified Public Accountants (AICPA),
- American Taxation Association (ATA),
- Manufacturers Alliance (MAPI) and
- Tax Executives Institute (TEI).

Taxpayers use special e-mail addresses to submit questions to the stakeholder groups, which perfect the questions, eliminate duplications and forward them to the IRS. In

addition to perfecting questions for quicker response by IRS, submitting questions through stakeholder groups gives anonymity to taxpayers who want it.

Links:

- Schedule M-3 for Large and Mid-Size Corporations —
<http://www.irs.gov/businesses/corporations/article/0,,id=119992,00.html>